

*Financial Report*

*Lafourche ARC*

*Thibodaux, Louisiana*

*For the year ended June 30, 2008*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/14/09

## **TABLE OF CONTENTS**

### **Lafourche ARC**

For the year ended June 30, 2008

	<b><u>Exhibit</u></b>	<b><u>Page Number</u></b>
<b>Introductory Section</b>		
Title Page		i
Table of Contents		ii – iii
<b>Financial Section</b>		
Independent Auditor's Report		1 – 2
Statements of Financial Position	A	3
Statements of Activities	B	4 – 5
Statement of Functional Expenses (2008)	C	6 – 7
Statement of Functional Expenses (2007)	D	8 – 9
Statements of Cash Flows	E	10
Notes to Financial Statements	F	11 – 18
	<b><u>Schedule</u></b>	
<b>Supplementary Information Section</b>		
Independent Auditor's Report on Additional Information		19
Schedule of Program Financial Position	1	20 – 21
Schedule of Program Activities	2	22 – 23

**TABLE OF CONTENTS**  
**(Continued)**

For the year ended June 30, 2008

	<u>Schedule</u>	<u>Page Number</u>
<b>Supplementary Information Section (Continued)</b>		
Schedule of Program Services Expenses	3	24 – 25
Schedule of Support Services Expenses	4	26 – 27
Schedule of Revenues and Expenses for the Years Ended June 30, 2008, 2007 and 2006	5	28
Graph of Revenues for the Years Ended June 30, 2008, 2007 and 2006	6	29
Graph of Expenses for the Years Ended June 30, 2008, 2007 and 2006	7	30
<b>Special Reports of Certified Public Accountants</b>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		31 – 32
Schedule of Findings and Responses		33
<b>Reports by Management</b>		
Schedule of Prior Year Findings and Responses		34
Management's Corrective Action Plan		35

## **FINANCIAL SECTION**



Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Lafourche ARC,  
Thibodaux, Louisiana.

We have audited the accompanying statements of financial position of Lafourche ARC (the Association), a nonprofit organization, as of June 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued a report dated December 23, 2008 on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
December 23, 2008.

**STATEMENTS OF FINANCIAL POSITION****Lafourche ARC**

June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash	\$ 4,242,680	\$ 4,731,896
Investments	5,535,214	3,976,443
Due from State of Louisiana	1,777,948	2,283,377
Accounts receivable	143,669	149,400
Deposits	24,798	99,862
Buildings, furniture and equipment, net	<u>1,791,517</u>	<u>1,573,724</u>
Totals	<u>\$ 13,515,826</u>	<u>\$ 12,814,702</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	<u>\$ 756,017</u>	<u>\$ 717,595</u>
<b>Net Assets</b>		
Unrestricted	12,759,809	12,037,765
Temporarily restricted	<u>-</u>	<u>59,342</u>
Total net assets	<u>12,759,809</u>	<u>12,097,107</u>
Totals	<u>\$ 13,515,826</u>	<u>\$ 12,814,702</u>

See notes to financial statements.

**STATEMENTS OF ACTIVITIES****Lafourche ARC**

For the years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>Changes in Unrestricted Net Assets</b>		
<b>Support and Revenues</b>		
Support:		
Group Services:		
Habilitation services	\$ 11,645,830	\$ 10,302,510
Residential services	3,500,085	3,309,009
Governmental Grants:		
Office for Citizens with Developmental Disabilities	32,060	64,752
Client income	218,153	200,805
State of Louisiana - Hotel/Motel Tax	90,000	90,000
State of Louisiana - Department of Transportation and Development	39,098	-
Sheltered workshop, net of \$320,745 (\$295,276 in 2007) of direct costs	58,626	47,660
Contributions	59,547	8,805
Total unrestricted support	<u>15,643,399</u>	<u>14,023,541</u>
Revenues:		
Investment return	211,007	502,845
Miscellaneous	5,306	4,100
Total unrestricted revenue	<u>216,313</u>	<u>506,945</u>
<b>Net Assets Released from Restrictions</b>		
Expiration of time restrictions	<u>59,342</u>	<u>52,263</u>
Total unrestricted support, revenue and net assets released from restrictions	<u>15,919,054</u>	<u>14,582,749</u>
<b>Expenses</b>		
Program services:		
Medical and nursing	50,573	52,206
Therapeutic and training	12,324,058	10,856,667
Recreational	7,752	7,234
Consultants	223,073	178,716
Total program services	<u>12,605,456</u>	<u>11,094,823</u>
Support services:		
Administrative and general	1,861,875	1,768,307
Plant operations and maintenance	355,287	260,821
Costs related to capital assets	226,388	216,275
Dietary	109,166	111,810
Laundry and linen	4,460	6,427
Housekeeping supplies	14,466	17,256
Personal client needs	19,912	15,831
Total support services	<u>2,591,554</u>	<u>2,396,727</u>
Total expenses	<u>15,197,010</u>	<u>13,491,550</u>
Increase in unrestricted net assets (carryforward)	722,044	1,091,199



**Exhibit B  
(Continued)**

	<u>2008</u>	<u>2007</u>
Increase in unrestricted net assets (broughtforward)	<u>722,044</u>	<u>1,091,199</u>
<b>Decrease in Temporarily Restricted Net Assets</b>		
Net assets released from restrictions:		
Satisfaction of time restrictions	<u>(59,342)</u>	<u>(52,263)</u>
<b>Increase in Net Assets</b>	662,702	1,038,936
<b>Net Assets</b>		
Beginning of year	<u>12,097,107</u>	<u>11,058,171</u>
End of year	<u>\$ 12,759,809</u>	<u>\$ 12,097,107</u>

See notes to financial statements.

# STATEMENT OF FUNCTIONAL EXPENSES

## Lafourche ARC

For the year ended June 30, 2008

	Program Services				
	Medical and Nursing	Therapeutic and Training	Recrea- tional	Consultants	Totals
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Central office	-	-	-	-	-
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	223,073	223,073
Depreciation	-	-	-	-	-
Food	-	-	-	-	-
Habilitation	-	72,733	-	-	72,733
Insurance	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	25,252	-	-	-	25,252
Other	9,753	-	-	-	9,753
Postage	-	-	-	-	-
Prescriptions	8,106	-	-	-	8,106
Professional fees	-	-	-	-	-
Salaries, payroll taxes and benefits	-	12,249,750	-	-	12,249,750
Supplies	7,462	1,575	7,752	-	16,789
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil and repairs	-	-	-	-	-
Total expenses	<u>\$ 50,573</u>	<u>\$ 12,324,058</u>	<u>\$ 7,752</u>	<u>\$ 223,073</u>	<u>\$ 12,605,456</u>

See notes to financial statements.

Supporting Services								
Admini- strative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	House- keeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 179,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,080	\$ 179,080
638,472	-	-	-	-	-	-	638,472	638,472
-	-	-	-	-	-	5,576	5,576	5,576
-	-	-	7,975	-	-	-	7,975	231,048
-	-	177,188	-	-	-	-	177,188	177,188
-	-	-	97,083	-	-	-	97,083	97,083
-	-	-	-	-	-	-	-	72,733
486,544	-	-	-	-	-	-	486,544	486,544
-	-	49,200	-	-	-	-	49,200	49,200
4,805	-	-	-	-	-	-	4,805	4,805
-	-	-	-	1,737	-	-	1,737	1,737
-	248,967	-	-	-	-	-	248,967	248,967
-	-	-	-	-	-	-	-	25,252
49,949	-	-	-	-	-	14,336	64,285	74,038
3,505	-	-	-	-	-	-	3,505	3,505
-	-	-	-	-	-	-	-	8,106
26,291	-	-	-	-	-	-	26,291	26,291
42,341	-	-	-	-	-	-	42,341	12,292,091
103,935	-	-	4,108	2,723	14,466	-	125,232	142,021
48,678	-	-	-	-	-	-	48,678	48,678
787	-	-	-	-	-	-	787	787
133,064	-	-	-	-	-	-	133,064	133,064
-	106,320	-	-	-	-	-	106,320	106,320
144,424	-	-	-	-	-	-	144,424	144,424
<u>\$ 1,861,875</u>	<u>\$ 355,287</u>	<u>\$ 226,388</u>	<u>\$ 109,166</u>	<u>\$ 4,460</u>	<u>\$ 14,466</u>	<u>\$ 19,912</u>	<u>\$ 2,591,554</u>	<u>\$ 15,197,010</u>

# STATEMENT OF FUNCTIONAL EXPENSES

## Lafourche ARC

For the year ended June 30, 2007

	<u>Program Services</u>				
	<u>Medical and Nursing</u>	<u>Therapeutic and Training</u>	<u>Recrea- tional</u>	<u>Consultants</u>	<u>Totals</u>
Bed fees	\$ -	\$ -	\$ -	\$ -	\$ -
Central office	-	-	-	-	-
Clothing	-	-	-	-	-
Contracts - outside services	-	-	-	178,716	178,716
Depreciation	-	-	-	-	-
Food	-	-	-	-	-
Habilitation	-	95,523	-	-	95,523
Insurance	-	-	-	-	-
Interest	-	-	-	-	-
Lease	-	-	-	-	-
Licenses	-	-	-	-	-
Linen and bedding	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Medical services	21,725	-	-	-	21,725
Other	15,317	-	-	-	15,317
Postage	-	-	-	-	-
Prescriptions	10,876	-	-	-	10,876
Professional fees	-	-	-	-	-
Salaries, payroll taxes and benefits	-	10,761,007	-	-	10,761,007
Supplies	4,288	137	7,234	-	11,659
Telephone	-	-	-	-	-
Training-in-service	-	-	-	-	-
Travel and seminars	-	-	-	-	-
Utilities	-	-	-	-	-
Vehicles - gas, oil and repairs	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 52,206</b>	<b>\$ 10,856,667</b>	<b>\$ 7,234</b>	<b>\$ 178,716</b>	<b>\$ 11,094,823</b>

See notes to financial statements.

Supporting Services								
Admini- strative and General	Plant Operations and Maintenance	Costs Related to Capital Assets	Dietary	Laundry and Linen	House- keeping Supplies	Personal Client Needs	Totals	Grand Totals
\$ 183,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,713	\$ 183,713
551,464	-	-	-	-	-	-	551,464	551,464
-	-	-	-	-	-	7,063	7,063	7,063
-	-	-	9,200	-	-	-	9,200	187,916
-	-	167,075	-	-	-	-	167,075	167,075
-	-	-	95,674	-	-	-	95,674	95,674
-	-	-	-	-	-	-	-	95,523
418,231	-	-	-	-	-	-	418,231	418,231
546	-	-	-	-	-	-	546	546
-	-	49,200	-	-	-	-	49,200	49,200
5,062	-	-	-	-	-	-	5,062	5,062
-	-	-	-	1,378	-	-	1,378	1,378
-	157,037	-	-	-	-	-	157,037	157,037
-	-	-	-	-	-	-	-	21,725
33,393	-	-	-	-	-	8,768	42,161	57,478
1,109	-	-	-	-	-	-	1,109	1,109
-	-	-	-	-	-	-	-	10,876
59,512	-	-	-	-	-	-	59,512	59,512
71,503	-	-	-	-	-	-	71,503	10,832,510
128,177	-	-	6,936	5,049	17,256	-	157,418	169,077
58,909	-	-	-	-	-	-	58,909	58,909
1,007	-	-	-	-	-	-	1,007	1,007
143,239	-	-	-	-	-	-	143,239	143,239
-	103,784	-	-	-	-	-	103,784	103,784
112,442	-	-	-	-	-	-	112,442	112,442
<u>\$ 1,768,307</u>	<u>\$ 260,821</u>	<u>\$ 216,275</u>	<u>\$ 111,810</u>	<u>\$ 6,427</u>	<u>\$ 17,256</u>	<u>\$ 15,831</u>	<u>\$ 2,396,727</u>	<u>\$ 13,491,550</u>

**STATEMENTS OF CASH FLOWS****Lafourche ARC**

For the years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 662,702	\$ 1,038,936
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	177,188	167,075
Net realized and unrealized losses (gains) on investments	97,329	(134,418)
Loss from disposition of equipment	9,669	-
Decrease (increase) in operating assets:		
Receivables	511,160	(231,641)
Deposits	75,064	65,477
Increase in operating liabilities:		
Accounts payable	38,422	342,623
 Total adjustments	 <u>908,832</u>	 <u>209,116</u>
 Net cash provided by operating activities	 <u>1,571,534</u>	 <u>1,248,052</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(4,052,301)	(749,108)
Proceeds from maturity of investments	2,396,201	584,209
Purchase of buildings and improvements	(158,016)	(162,021)
Purchase of vehicles	(213,884)	(105,900)
Purchase of furniture and equipment	(32,750)	(24,776)
 Net cash used in investing activities	 <u>(2,060,750)</u>	 <u>(457,596)</u>
<b>Cash Flows from Financing Activities</b>		
Payments on notes payable	-	(11,344)
 Net (decrease) increase in cash	 <u>(489,216)</u>	 <u>779,112</u>
<b>Cash</b>		
Beginning of year	<u>4,731,896</u>	<u>3,952,784</u>
End of year	<u>\$ 4,242,680</u>	<u>\$ 4,731,896</u>
<b>Supplemental Disclosures</b>		
Interest paid	<u>\$ -</u>	<u>\$ 546</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**Lafourche ARC**

June 30, 2008 and 2007

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Nature of Organization**

Lafourche ARC (the Association) operates six residential community homes and three day care facilities to provide intermediate care and habilitation for the mentally retarded. Three (Country Club, Stevens and Richland) of the six residential community homes operated are owned by the Association while Chackbay, Diplomat Way and Narrow Street community homes are rented. The Association also provides respite services to families of mentally retarded individuals.

**b) Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association had no permanently restricted net assets at June 30, 2008 and 2007.

**c) Basis of Accounting**

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**d) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Use of Estimates (Continued)**

disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

**e) Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Association had no cash equivalents at June 30, 2008 and 2007.

**f) Investments**

Investments are comprised of certificates of deposit, U.S. Government securities and other equity securities.

Certificates of deposit, with initial maturity longer than three months, are stated at cost, which approximates fair market value. All other investments have readily determinable fair values and are stated at fair market value. Investment expenses of \$13,768 and \$13,125 were incurred for the years ended June 30, 2008 and 2007, respectively.

**g) Accounts Receivable**

The financial statements of the Association contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position.

**h) Buildings, Furniture and Equipment**

Buildings, furniture and equipment are stated at cost. Additions and betterments \$5,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings and improvements	20 - 30 years
Vehicles	5 - 6 years
Furniture and equipment	5 - 8 years



**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Promises to give are recognized as assets and revenues. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions, if any, are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**j) Donated Services**

No amounts have been reflected in the financial statements for donated services. The Association pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Association with specific assistance programs, and various committee assignments.

**k) Compensated Absences**

On July 1<sup>st</sup>, all full-time employees receive from 12 to 21 days of leave depending on years of service. These days are to cover both vacation and sick leave. Leave must be taken by September 1<sup>st</sup> of the next fiscal year or the leave is lost. There is no material accumulated leave at June 30, 2008 and 2007 and accordingly, the financial statements do not include a provision for compensated absences.

**l) Functional Expenses**

The costs of providing various services and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses in accordance with cost reporting regulations of the Louisiana Department of Health and Hospitals. Accordingly, certain costs have been allocated among the services and activities benefited. Transactions and resulting balances of charges for services between the Association's programs have been eliminated from the financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m) Income Taxes**

The Association is a non-profit organization and is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code. Therefore, no provisions for income taxes have been made.

**Note 2 - INVESTMENTS**

Investments for the years ended June 30, 2008 and 2007 are as follows:

	2008		2007	
	Cost	Market	Cost	Market
U.S. Treasury Notes	\$ -	\$ -	\$ 98,000	\$ 98,000
Federal Home Loan Bank Notes	-	-	49,993	50,147
Government National Mortgage Association Notes	1,307	1,441	1,571	1,680
Federal Farm Credit Bank Notes	-	-	50,000	50,071
Federal National Mortgage Association Notes	297,780	304,088	621,328	618,057
Federal Home Loan Mortgage Corporation Notes	202,186	206,951	202,186	197,763
Equity shares/mutual funds	1,268,469	1,213,128	590,473	639,374
Money market funds	262,071	262,186	315,655	316,356
Certificates of Deposit	2,615,247	2,631,134	1,061,290	1,061,290
Corporate bonds	902,713	916,286	950,056	943,705
<b>Totals</b>	<b>\$ 5,549,773</b>	<b>\$ 5,535,214</b>	<b>\$ 3,940,552</b>	<b>\$ 3,976,443</b>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended:

	June 30, 2008	June 30, 2007
Interest income	\$ 308,336	\$ 368,427
Net realized and unrealized gain (loss)	(97,329)	134,418
<b>Investment return</b>	<b>\$ 211,007</b>	<b>\$ 502,845</b>

**Note 3 - DUE FROM STATE OF LOUISIANA**

Amounts receivable for residential and habilitation services charged to the State of Louisiana Department of Health and Hospitals are \$1,777,948 and \$2,283,377 at June 30, 2008 and 2007, respectively.

**Note 4 - RESTRICTIONS ON ASSETS**

Temporarily restricted net assets are restricted by the donor for specific purposes or are available for subsequent periods. There are no temporarily restricted net assets as of June 30, 2008. Restrictions of net assets as of June 30, 2007 relate to purpose of use restrictions. Temporarily restricted net assets are receipts from the Louisiana Department of Transportation and Development and are available for the purchase of new equipment.

**Note 5 - BUILDINGS, FURNITURE AND EQUIPMENT**

Buildings, furniture and equipment at June 30, 2008 and 2007 consist of the following:

	<u>2008</u>	<u>2007</u>
Land	\$ 58,000	\$ 58,000
Buildings and improvements	1,975,841	1,817,825
Vehicles	1,225,189	1,094,718
Furniture and equipment	<u>683,122</u>	<u>650,372</u>
	3,942,152	3,620,915
Less: accumulated depreciation	<u>2,150,635</u>	<u>2,047,191</u>
Net buildings, furniture and equipment	<u>\$1,791,517</u>	<u>\$1,573,724</u>

**Note 6 - LEASE COMMITMENTS**

As of June 30, 2008, Chackbay Community Home, Narrow Community Home and Diplomat Way Community Home are leased on a month-to-month basis. Rental expenses incurred amounted to \$49,200 annually for the years ended June 30, 2008 and 2007, respectively.

**Note 7 - CENTRAL OFFICE OVERHEAD**

The central office was established to account for supporting expenses common to the programs. Each program reimburses the central office for its share. The amount allocated to each program, as supporting service-administrative and general is based upon time and level of efforts expended as measured by expenses per program compared to total expenses. For the years ended June 30, 2008 and 2007, personal service and occupancy costs amounting to \$638,471 and \$551,464, respectively, were allocated to the programs as follows:

	<u>2008</u>	<u>2007</u>
Chackbay Community Home	\$ 15,206	\$ 14,657
Country Club Community Home	13,814	12,635
Diplomat Way Community Home	16,804	15,351
Stevens Community Home	18,751	17,469
Narrow Street Community Home	10,856	9,628
Richland Community Home	15,782	14,324
Community Support Services	451,577	387,456
Daycare Services	<u>95,682</u>	<u>79,944</u>
Totals	<u>\$638,472</u>	<u>\$551,464</u>

**Note 8 - ECONOMIC DEPENDENCY**

The Association receives federal and state funding on a per diem per client/unit basis. Federal and state matching funds from the Department of Health and Human Services, passed through the Louisiana State Department of Health and Hospitals Office of Family Security, Medical Assistance Program - Medicaid/ Title XIX are on a per diem basis. These payments, reported as residential and habilitation services, are considered a payment for a service as opposed to a grant award.

The state of Louisiana incurred significant losses as a result of Hurricanes Gustav and Ike in September 2008. Hurricane relief and recovery efforts have stretched the State's finances and increased the likelihood of cuts in the Association's future funding from

**Note 8 - ECONOMIC DEPENDENCY (Continued)**

the State. If significant budget cuts are made at the federal, state and local government levels, the amount of funds the Association will receive could be reduced significantly and have an adverse impact on its operations. Management is not able to estimate at this time the amount of funds that the Association will receive sufficient funds to avoid a material impact on the Association's future operations.

**Note 9 - RETIREMENT PLAN**

The Association adopted a 401(k) retirement plan effective July 1, 1997. The plan covers all employees who have completed one or more years of service. The Association makes contributions to the plan at its discretion. The Association's contributions for the year ended June 30, 2008 and 2007 were \$43,739 and \$70,199, respectively.

**Note 10 - CONCENTRATION OF RISK**

During the year ended June 30, 2008, the Association maintained its cash deposits and certificates of deposit with local banks. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash, certificates of deposit and money market mutual funds at this institution exceeded federally insured limits by \$6,867,144 as of June 30, 2008.

**Note 11 - RISK MANAGEMENT**

The Association is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2008.

**Note 12 - CONTINGENCY**

Programs funded by Medicare and Medicaid fiscal intermediaries are subject to audits performed by the State of Louisiana – Department of Health and Hospitals (the State). An audit was conducted by the State for the period January 2, 2001 through February 2, 2003 as a scientific sample. The preliminary findings by the State determined that the

**Note 12 - CONTINGENCY (Continued)**

Association billed and subsequently was paid for Respite services totaling \$217,638 which had undocumented progress notes in the records kept by the Association. Based on the original hearing, the total amount has been reduced by \$96,567 of which \$43,102 has been repaid by the Association. In Management's opinion, the Association will be successful in providing the necessary documentation to defend these claims made by the State and therefore any final determinations will not be material to the financial statements.

**Note 13 - SUBSEQUENT EVENTS**

In September 2008, Hurricanes Gustav and Ike struck South Louisiana. At the present time management does not have an estimate of the net cost of repair and recovery efforts. However, management believes Hurricane relief and recovery efforts will not have a material impact on the Association's operations.

Recent economic uncertainty and market events have led to significant volatility, primarily declines, in currency, commodity, credit, and equity markets. These recent events underscore the level of investment risk associated with the current economic environment, and accordingly the level of risk in the investments of the Association. These matters have the effect of a decline of approximately \$506,000 on the Association's net assets through November 30, 2008.

## **SUPPLEMENTARY INFORMATION SECTION**



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION**

To the Board of Directors.  
Lafourche ARC,  
Thibodaux, Louisiana.

Our report on our audit of the financial statements of Lafourche ARC, (the Association), for the year ended June 30, 2008 and 2007, appears on pages 1 and 2. That audit was conducted for the purpose of forming an opinion on such financial statements taken as a whole. The information contained in the Schedules 1 through 7 for the years ended June 30, 2008 and 2007 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements for the years ended June 30, 2008 and 2007, taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the statements of financial position of Lafourche ARC, as of June 30, 2006, and the related statement of activities for the year ended June 30, 2006 (none of which are presented herein), and we expressed an unqualified opinion on those financial statements. In our opinion, the information presented in the Schedules 5 through 7 for the year ended June 30, 2006 is fairly stated in all material respects in relation to the financial statements from which it has been derived.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
December 23, 2008.



# SCHEDULE OF PROGRAM FINANCIAL POSITION

## Lafourche ARC

June 30, 2008

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
<b>Assets</b>					
Cash	\$ 100	\$ 100	\$ 100	\$ 200	\$ 100
Investments	319,823	162,367	337,209	33,121	284,533
Due from State of Louisiana	26,056	29,256	29,708	41,250	28,434
Accounts receivable	-	-	-	-	-
Due from other programs	52,758	243,804	50,969	231,169	426,957
Deposits	1,739	1,538	1,828	2,152	1,162
Buildings, furniture and equipment, net of accumulated depreciation, \$2,150,635	7,721	117,175	-	214,109	15,662
Totals	<u>\$ 408,197</u>	<u>\$ 554,240</u>	<u>\$ 419,814</u>	<u>\$ 522,001</u>	<u>\$ 756,848</u>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 11,337	\$ 13,061	\$ 14,729	\$ 15,514	\$ 9,817
Due to other programs	114,379	23,635	140,153	364,812	-
Total liabilities	125,716	36,696	154,882	380,326	9,817
<b>Net Assets</b>					
Unrestricted	282,481	517,544	264,932	141,675	747,031
Totals	<u>\$ 408,197</u>	<u>\$ 554,240</u>	<u>\$ 419,814</u>	<u>\$ 522,001</u>	<u>\$ 756,848</u>

Community Homes						
Richland		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
\$	100	\$ -	\$ 470	\$ 4,241,510	\$ -	\$ 4,242,680
	141,880	3,006,215	1,185,522	64,544	-	5,535,214
	40,341	1,489,199	93,704	-	-	1,777,948
	-	100,888	42,781	-	-	143,669
	226,250	3,614,210	688,210	254,532	(5,788,859)	-
	2,293	8,259	4,801	1,026	-	24,798
	<u>124,288</u>	<u>45,438</u>	<u>798,079</u>	<u>469,045</u>	<u>-</u>	<u>1,791,517</u>
<u>\$</u>	<u>535,152</u>	<u>\$ 8,264,209</u>	<u>\$ 2,813,567</u>	<u>5,030,657</u>	<u>\$ (5,788,859)</u>	<u>\$ 13,515,826</u>
\$	13,564	\$ 574,702	\$ 68,516	\$ 34,777	\$ -	\$ 756,017
	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>4,995,880</u>	<u>(5,788,859)</u>	<u>-</u>
	163,564	574,702	68,516	5,030,657	(5,788,859)	756,017
	<u>371,588</u>	<u>7,689,507</u>	<u>2,745,051</u>	<u>-</u>	<u>-</u>	<u>12,759,809</u>
<u>\$</u>	<u>535,152</u>	<u>\$ 8,264,209</u>	<u>\$ 2,813,567</u>	<u>\$ 5,030,657</u>	<u>\$ (5,788,859)</u>	<u>\$ 13,515,826</u>

# SCHEDULE OF PROGRAM ACTIVITIES

## Lafourche ARC

For the year ended June 30, 2008

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
<b>Changes in Unrestricted Net Assets</b>					
<b>Support and Revenues</b>					
Support:					
Group Services:					
Habilitation services	\$ -	\$ -	\$ -	\$ -	\$ -
Residential services	319,259	349,374	368,893	479,394	333,796
Governmental Grants:					
Office for Citizens with Developmental Disabilities	-	-	-	-	-
Client income	47,869	37,066	39,454	39,089	26,377
State of Louisiana - Hotel/Motel Tax	-	-	-	-	-
State of Louisiana - Department of Transportation and Development	-	-	-	-	-
Sheltered workshop, net of \$320,745 of direct costs	-	-	-	-	-
Contributions	-	150	-	-	-
Total unrestricted support	367,128	386,590	408,347	518,483	360,173
Revenues:					
Investment gains (losses)	(1,899)	(964)	(2,003)	(196)	(1,690)
Miscellaneous	3,656	-	-	-	-
Total unrestricted revenue	1,757	(964)	(2,003)	(196)	(1,690)
Allocations	-	-	-	-	-
<b>Net Assets Released from Restrictions</b>					
Expiration of time restrictions	-	-	-	-	-
Total unrestricted support, revenue and net assets released from restrictions	368,885	385,626	406,344	518,287	358,483
<b>Expenses</b>					
Program services:					
Medical and nursing	6,615	5,074	7,539	5,012	9,379
Therapeutic and training	273,077	227,945	271,190	346,673	163,501
Recreational	582	1,217	792	1,941	916
Consultants	12,099	14,786	13,354	15,642	12,896
Total program services	292,373	249,022	292,875	369,268	186,692
Support services:					
Administrative and general	69,197	69,945	84,193	81,938	59,981
Plant operations and maintenance	7,618	10,911	9,441	17,592	9,851
Costs related to capital assets	19,141	7,504	19,200	15,644	15,356
Dietary	15,272	16,987	17,763	20,416	16,274
Laundry and linen	655	1,257	588	746	62
Housekeeping	3,107	2,213	1,871	3,048	1,194
Personal client needs	2,084	3,784	7,400	1,945	1,250
Total support services	117,074	112,601	140,458	141,329	103,968
Total expenses	409,447	361,623	433,333	510,597	290,660
Increase (decrease) in unrestricted net assets	(40,562)	24,003	(26,989)	7,690	67,823
<b>Temporarily Restricted Net Assets</b>					
Net Assets released from restrictions:					
Satisfaction of time restrictions	-	-	-	-	-
Decrease in temporarily Restricted net assets	-	-	-	-	-
Increase (decrease) in Net Assets	(40,562)	24,003	(26,989)	7,690	67,823
<b>Net Assets</b>					
Beginning of year	323,043	493,541	291,921	133,985	679,208
End of year	\$ 282,481	\$ 517,544	\$ 264,932	\$ 141,675	\$ 747,031

<u>Community Homes</u>					
<u>Richland</u>	<u>Community Support</u>	<u>Day Care Services</u>	<u>Central Office</u>	<u>Eliminations</u>	<u>Grand Totals</u>
\$ 484,761	\$ 11,226,857 274,141	\$ 418,973 1,147,230	\$ - -	\$ - (256,763)	\$ 11,645,830 3,500,085
-	-	32,060	-	-	32,060
28,298	-	-	-	-	218,153
-	-	90,000	-	-	90,000
-	-	39,098	-	-	39,098
-	-	58,626	-	-	58,626
400	4,231	3,081	51,685	-	59,547
513,459	11,505,229	1,789,068	51,685	(256,763)	15,643,399
(844)	63,930	1,283	153,390	-	211,007
-	450	1,200	-	-	5,306
(844)	64,380	2,483	153,390	-	216,313
-	-	-	638,472	(638,472)	-
-	-	59,342	-	-	59,342
512,615	11,569,609	1,850,893	843,547	(895,235)	15,919,054
7,457	7,351	2,146	-	-	50,573
292,379	9,695,594	1,310,462	-	(256,763)	12,324,058
2,304	-	-	-	-	7,752
14,738	139,558	-	-	-	223,073
316,878	9,842,503	1,312,608	-	(256,763)	12,605,456
73,420	963,564	348,399	749,710	(638,472)	1,861,875
10,256	374	218,408	70,836	-	355,287
9,504	22,428	94,610	23,001	-	226,388
22,130	322	-	-	-	109,166
1,152	-	-	-	-	4,460
2,547	486	-	-	-	14,466
3,277	172	-	-	-	19,912
122,286	987,346	661,417	843,547	(638,472)	2,591,554
439,164	10,829,849	1,974,025	843,547	(895,235)	15,197,010
73,451	739,760	(123,132)	-	-	722,044
-	-	(59,342)	-	-	(59,342)
-	-	(59,342)	-	-	(59,342)
73,451	739,760	(182,474)	-	-	662,702
298,137	6,949,747	2,927,525	-	-	12,097,107
\$ 371,588	\$ 7,689,507	\$ 2,745,051	\$ -	\$ -	\$ 12,759,809

# SCHEDULE OF PROGRAM SERVICES EXPENSES

## **Lafourche ARC**

For the year ended June 30, 2008

		Community Homes			
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
<b>Medical and Nursing</b>					
Medical services	\$ 2,442	\$ 3,551	\$ 1,875	\$ 3,005	\$ 8,516
Other	1,434	218	2,279	824	232
Prescriptions	1,130	1,235	1,259	1,129	600
Supplies	1,609	70	2,126	54	31
Total medical and nursing	6,615	5,074	7,539	5,012	9,379
<b>Therapeutic and Training</b>					
Habilitation	30,312	30,312	30,312	30,312	30,312
Salaries, payroll taxes and benefits	242,765	197,633	240,756	315,896	133,189
Supplies	-	-	122	465	-
Total therapeutic and training	273,077	227,945	271,190	346,673	163,501
<b>Recreational</b>					
Supplies	582	1,217	792	1,941	916
<b>Consultants</b>					
Other	-	-	-	-	-
Pharmacist	438	648	613	779	543
Psychiatrist	87	1,092	965	2,132	171
Psychologist	325	520	390	520	260
Registered nurse	10,776	10,776	10,776	10,776	10,776
Social worker	473	1,750	610	1,435	1,146
Total consultants	12,099	14,786	13,354	15,642	12,896
Total program services	\$ 292,373	\$ 249,022	\$ 292,875	\$ 369,268	\$ 186,692

## Schedule 3

<u>Community Homes</u>					
<u>Richland</u>	<u>Community Support</u>	<u>Day Care Services</u>	<u>Central Office</u>	<u>Eliminations</u>	<u>Grand Totals</u>
\$ 3,646	\$ 71	\$ 2,146			\$ 25,252
873	3,893	-			9,753
2,753	-	-			8,106
185	3,387	-			7,462
<u>7,457</u>	<u>7,351</u>	<u>2,146</u>			<u>50,573</u>
30,312	72,733	-		\$ (181,872)	72,733
262,067	9,622,861	1,309,474		(74,891)	12,249,750
-	-	988		-	1,575
<u>292,379</u>	<u>9,695,594</u>	<u>1,310,462</u>		<u>(256,763)</u>	<u>12,324,058</u>
<u>2,304</u>	<u>-</u>				<u>7,752</u>
-	18,237				18,237
551	-				3,572
1,773	451				6,671
325	-				2,340
10,776	120,870				185,526
1,313	-				6,727
<u>14,738</u>	<u>139,558</u>				<u>223,073</u>
<u>\$ 316,878</u>	<u>\$ 9,842,503</u>	<u>\$ 1,312,608</u>	<u>\$ -</u>	<u>\$ (256,763)</u>	<u>\$ 12,605,456</u>

# SCHEDULE OF SUPPORT SERVICES EXPENSES

## Lafourche ARC

For the year ended June 30, 2008

	Community Homes				
	Chackbay	Country Club	Diplomat Way	Stevens	Narrow Street
<b>Administrative and General</b>					
Bed fees	\$ 26,169	\$ 31,403	\$ 31,403	\$ 28,772	\$ 29,930
Central office	15,206	13,814	16,804	18,751	10,856
Dues and subscriptions	-	-	-	-	-
Insurance	16,830	15,100	17,832	22,762	11,438
Licenses	615	620	615	620	616
Other	460	504	1,244	84	-
Postage	-	-	352	40	-
Professional fees	2,605	2,605	2,605	2,605	2,605
Salaries, payroll taxes and benefits	-	-	-	-	-
Supplies	909	103	169	1,325	117
Telephone	1,555	1,186	1,411	1,296	512
Training-in-service	-	-	-	-	-
Travel and seminars	1,357	335	444	2,184	125
Vehicles - gas, oil and repairs	3,491	4,275	11,314	3,499	3,782
Total administrative and general	69,197	69,945	84,193	81,938	59,981
<b>Plant Operations and Maintenance</b>					
Maintenance and repairs	3,004	4,173	2,992	10,186	4,312
Utilities	4,614	6,738	6,449	7,406	5,539
Total plant operations and maintenance	7,618	10,911	9,441	17,592	9,851
<b>Costs Related to Capital Assets</b>					
Depreciation	1,141	7,504	-	15,644	3,356
Lease	18,000	-	19,200	-	12,000
Total costs related to capital assets	19,141	7,504	19,200	15,644	15,356
<b>Dietary</b>					
Contracts - dietician	1,275	1,275	1,375	1,175	1,320
Food	13,457	14,914	16,123	18,548	14,744
Supplies	540	798	267	693	210
Total dietary expenses	15,272	16,987	17,765	20,416	16,274
<b>Laundry and Linen</b>					
Linen and bedding	144	510	209	283	5
Supplies	511	747	379	463	57
Total laundry and linen	655	1,257	588	746	62
<b>Housekeeping</b>					
Supplies	3,107	2,213	1,871	3,048	1,194
<b>Personal Client Needs</b>					
Clothing	831	2,124	687	507	130
Other	1,253	1,660	6,713	1,438	1,120
Total personal client needs	2,084	3,784	7,400	1,945	1,250
Total support services	\$ 117,074	\$ 112,601	\$ 140,458	\$ 141,329	\$ 103,968

Community Homes		Community Support	Day Care Services	Central Office	Eliminations	Grand Totals
Richland						
\$	31,403	\$ -	\$ -	\$ -	\$ -	\$ 179,080
	15,782	451,577	95,682	-	-	638,472
	-	-	-	10,700	(10,700)	-
	17,294	268,673	116,615	25,981	(25,981)	486,544
	613	637	469	-	-	4,805
	-	26,782	20,875	29,277	(29,277)	49,949
	-	3,113	-	9,612	(9,612)	3,505
	2,605	10,661	-	3,205	(3,205)	26,291
	-	-	-	602,038	(559,697)	42,341
	421	39,840	11,336	49,715	-	103,935
	808	19,307	9,782	12,821	-	48,678
	-	787	-	-	-	787
	252	116,152	5,854	6,361	-	133,064
	4,242	26,035	87,786	-	-	144,424
	<u>73,420</u>	<u>963,564</u>	<u>348,399</u>	<u>749,710</u>	<u>(638,472)</u>	<u>1,861,875</u>
	3,897	374	179,508	40,521	-	248,967
	6,359	-	38,900	30,315	-	106,320
	<u>10,256</u>	<u>374</u>	<u>218,408</u>	<u>70,836</u>		<u>355,287</u>
	9,504	22,428	94,610	23,001	-	177,188
	-	-	-	-	-	49,200
	<u>9,504</u>	<u>22,428</u>	<u>94,610</u>	<u>23,001</u>		<u>226,388</u>
	1,480	75	-	-	-	7,975
	19,050	247	-	-	-	97,083
	1,600	-	-	-	-	4,108
	<u>22,130</u>	<u>322</u>	<u>-</u>	<u>-</u>		<u>109,166</u>
	586	-	-	-	-	1,737
	566	-	-	-	-	2,723
	<u>1,152</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>4,460</u>
	2,547	486	-	-	-	14,466
	1,297	-	-	-	-	5,576
	1,980	172	-	-	-	14,336
	<u>3,277</u>	<u>172</u>	<u>-</u>	<u>-</u>		<u>19,912</u>
\$	122,286	\$ 987,346	\$ 661,417	\$ 843,547	\$ (638,472)	\$ 2,591,554



**SCHEDULE OF REVENUES AND EXPENSES**

Lafourche ARC

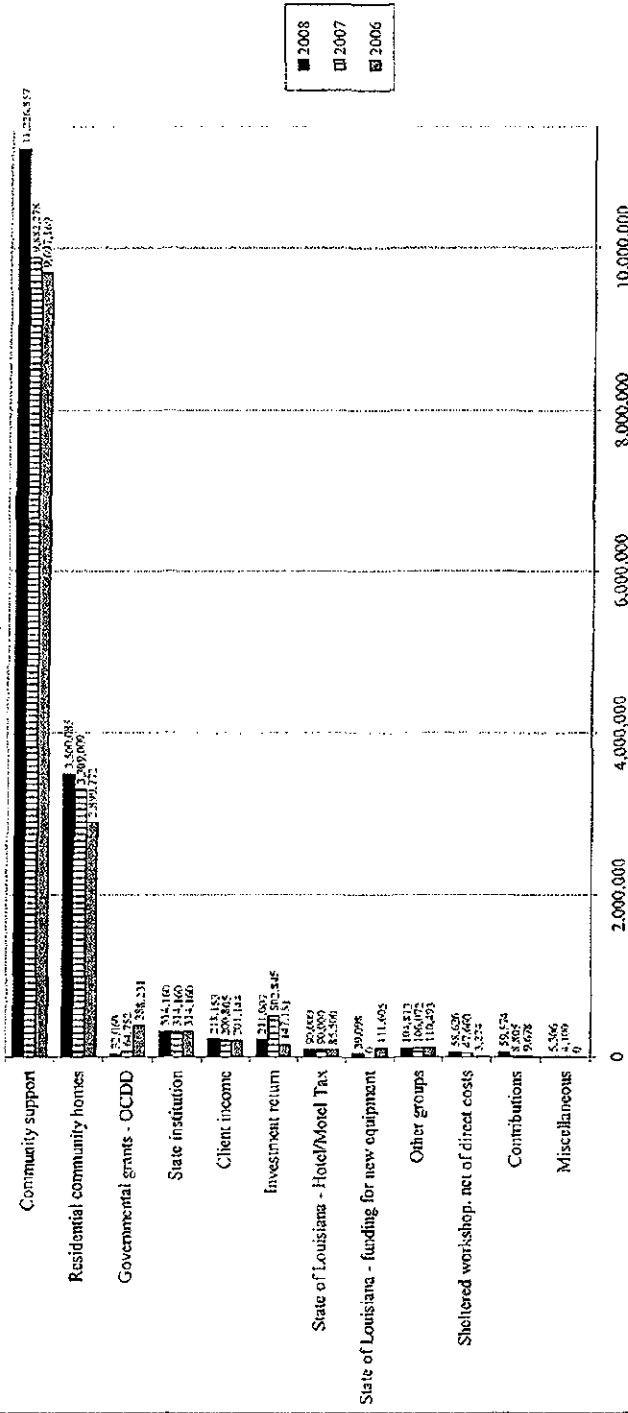
For the years ended June 30, 2008, 2007, and 2006

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Revenues</b>			
Community support	\$ 11,226,857	\$ 9,882,278	\$ 9,697,169
Residential community homes	3,500,085	3,309,009	2,899,772
Governmental grants - OCDD	32,060	64,752	388,231
State institution	314,160	314,160	314,160
Other:			
Client income	218,153	200,805	201,144
Investment return	211,007	502,845	147,151
State of Louisiana - Hotel/Motel Tax	90,000	90,000	85,500
State of Louisiana - funding for new equipment	39,098	-	111,605
Other groups	104,813	106,072	110,493
Sheltered workshop, net of direct costs	58,626	47,660	3,274
Contributions	59,574	8,805	9,678
Miscellaneous	5,306	4,100	-
Total revenues	<u>\$ 15,859,739</u>	<u>\$ 14,530,486</u>	<u>\$ 13,968,177</u>
<b>Expenses</b>			
Bed fees	\$ 179,080	\$ 183,713	\$ 166,069
Central office	638,472	551,464	526,855
Contracts - outside services	231,048	187,916	185,721
Depreciation	177,188	167,075	157,314
Food	97,083	95,674	88,194
Habilitation	72,733	95,523	76,692
Insurance	486,544	418,231	373,863
Lease	49,200	49,200	49,200
Maintenance and repairs	248,967	157,037	92,497
Other expenses	198,775	224,665	200,420
Salaries, payroll taxes and benefits	12,292,091	10,832,510	10,015,426
Supplies	142,021	169,077	128,182
Travel and seminars	133,064	143,239	125,127
Utilities	106,320	103,784	94,454
Vehicles - gas, oil and repairs	144,424	112,442	104,669
Total expenses	<u>\$ 15,197,010</u>	<u>\$ 13,491,550</u>	<u>\$ 12,384,683</u>

# REVENUES

## Lafourche ARC

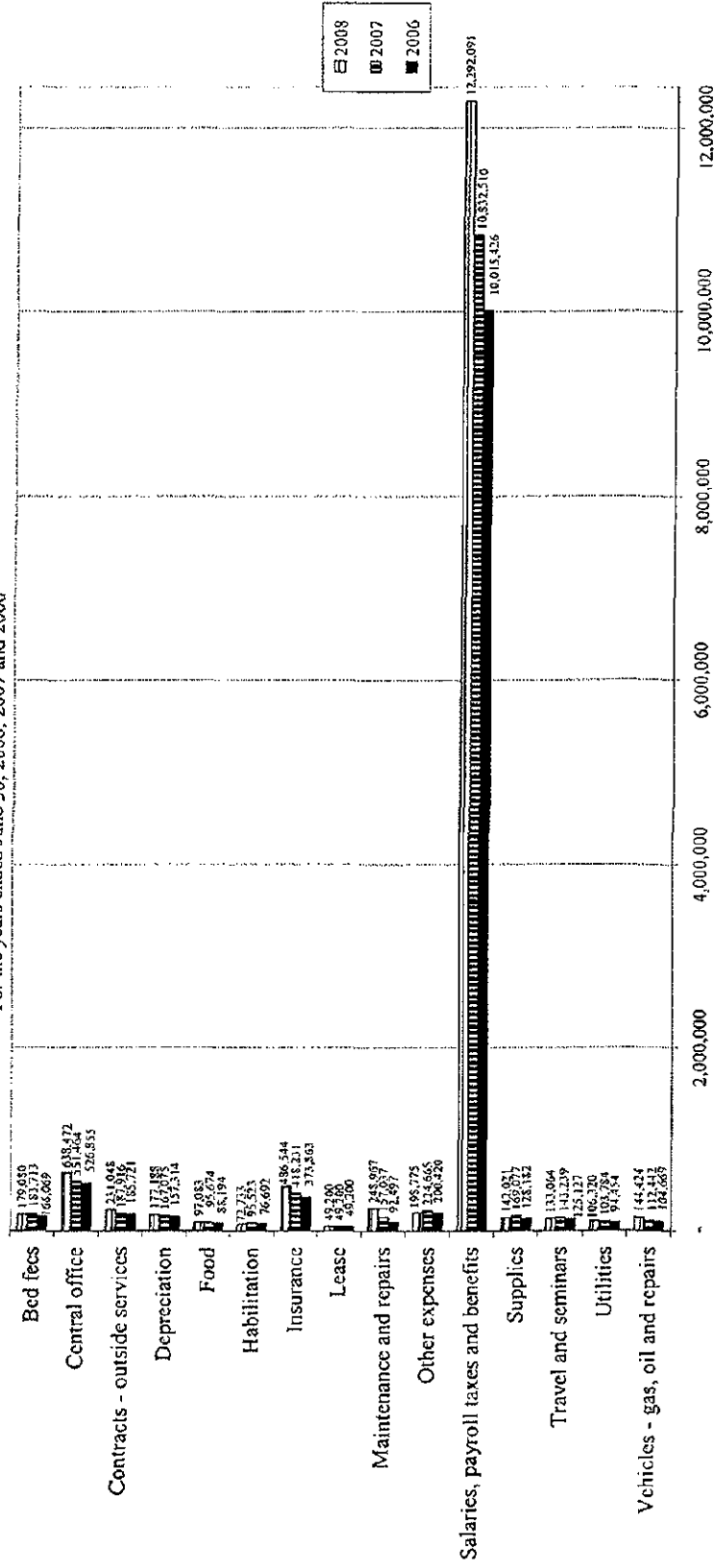
For the years ended June 30, 2008, 2007 and 2006



# EXPENSES

## Lafourche ARC

For the years ended June 30, 2008, 2007 and 2006



**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,  
Lafourche ARC,  
Thibodaux, Louisiana.

We have audited the financial statements of Lafourche ARC, (the Association), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Association's financial statements that is more than inconsequential will not be prevented or detected by the Association's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Association's internal control.

Our consideration of internal control over financial reporting was not for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor for the State of Louisiana and various federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
December 23, 2008.

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Lafourche ARC**

For the year ended June 30, 2008

#### **Section I Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified?      ☐ yes    ☒ no
- Significant deficiency(ies) identified that are not  
considered to be material weaknesses?      ☐ yes    ☒ none reported

Noncompliance material to financial statements noted?      ☐ yes    ☒ no

##### **b) Federal Awards**

Lafourche ARC did not expend federal awards in excess of \$500,000 during the year ended June 30, 2008 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

#### **Section II Financial Statement Findings**

No financial statement findings were noted during the audit for the year ended June 30, 2008.

#### **Section III Federal Award Findings and Questioned Costs**

Not applicable.

## **REPORTS BY MANAGEMENT**



## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Lafourche ARC**

For the year ended June 30, 2008

#### **Section I Internal Control and Compliance Material to the Statements of Financial Position**

##### **Internal Control**

No material weaknesses were reported during the audit for the year ended June 30, 2007.

No reportable conditions were reported during the audit for the year ended June 30, 2007.

##### **Compliance**

No compliance findings material to the statements of financial position were noted during the year ended June 30, 2007.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Lafourche ARC did not expend federal awards in excess of \$500,000 during the year ended June 30, 2007 and therefore was exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2007.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Lafourche ARC**

For the year ended June 30, 2008

#### **Section I Internal Control and Compliance Material to the Statements of Financial Position**

##### *Internal Control*

No material weaknesses were reported during the audit for the year ended June 30, 2008.

No significant deficiencies were reported during the audit for the year ended June 30, 2008.

##### *Compliance*

No compliance findings material to the statements of financial position were noted during the year ended June 30, 2008.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Lafourche ARC did not expend federal awards in excess of \$500,000 during the year ended June 30, 2008 and therefore was exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2008.